Councilor Jordan Midtown Commons Questions:

1. Affordable Housing & TIF Policy:
The Development Agreement contains no deed-restricted affordable housing units and no contribution to the Affordable Housing Trust Fund. MRA's own Workforce Housing Program (adopted 2023) requires any project receiving $100,000 or more in TIF that includes no income-restricted housing to contribute 10% of its TIF award to the city's trust fund- which would total approximately $1.09 million here. The Midtown Master Plan (2023) and Our Missoula 2045 Land Use Plan both explicitly call for affordable housing in this area.

Questions for Staff:

- **Why is the City not requiring permanently affordable housing at Midtown Commons, and what specific written authority exists to waive the MRA Workforce Housing Program's 10% trust fund contribution requirement?**

  Response: The MRA's Workforce Housing Program provides an exception to the 10% donation requirement for "Projects that provide other public benefits, as determined by MRA, such as granting trail and park easements to the City". Miramonte is purchasing the land from the City and donating 1.6 acres back to the City for the construction of a public park.

- **Is Midtown Commons going to raise housing costs in the surrounding neighborhoods and displace vulnerable populations? Has a displacement analysis been conducted?**

  Response: Displacement risk is an important concern, and it has been central to the City's recent land use and equity work.

  For Midtown Commons, specifically, the project is proposed on vacant land. That means there is **no direct displacement** of existing residents, affordable housing units, or businesses from the site. No project-specific displacement analysis has been conducted because the site does not currently contain housing or active uses that would be displaced.

  The most recent analysis on displacement and redevelopment occurred as part of the Equity in Land Use Report, which informed the adopted Land Use Plan. That work found that Missoula's historic zoning pattern has contributed to inequity by reserving too much land for low-density, high-cost housing and allowing too few places for the types of housing that can serve middle-income households.

It can't be assumed that redevelopment automatically increases housing costs in surrounding neighborhoods. While market impacts should be monitored, we also know that increasing housing supply can help moderate housing costs over time. The effect of any one project cannot be isolated or determined on its own; those impacts are better understood through broader housing market, development, and economic analysis.

Midtown Commons supports the adopted plan by adding housing on vacant land in an area planned for growth, mixed-use activity, and better connectivity. While no single project can solve affordability or displacement risk on its own, adding housing in planned growth areas is one of the ways the City can reduce pressure on existing neighborhoods, expand housing choice, and avoid perpetuating the exclusionary land use patterns identified in the equity analysis.

In short, Midtown Commons does not create direct displacement, and it is aligned with the City's newer land use and equity goals.

- **The MRA's leverage ratio of 1:16 factors in the $5M developer participation payment as if it is equivalent to upfront public investment- on what basis is a contingent, future, unit-sale-triggered payment treated as equivalent to the $10.9M already committed?**

Response: MRA's 1:16 ratio is an assessment of the overall investment. It takes into account the $5M developer participation agreement. The final cost to the City is estimated to be $5.9M and the final private cost is estimated to be $94.1M ($100M overall development cost less City payment for public infrastructure). Ratio = 1 public : 16 private.

2. Environmental & Climate Study:

No environmental or climate impact study has been conducted or publicly presented for this project despite repeated public requests. The City's Climate Ready Missoula and Conservation and Climate Action Plan set goals for green infrastructure, stormwater management, heat island mitigation, and tree canopy in new development. The Development Agreement references stormwater treatment only in passing and imposes no green building or climate-resilient design standards on the private residential or commercial buildings.

Questions for Staff:

- **Why has no environmental or climate study been conducted despite repeated public requests?**

- **What is the timeline for completing one, and who will conduct it?**

- **Will results be subject to public comment before the project proceeds?**

  Response: This development is subject to the same requirements of all private development in Missoula and additional environmental or climate impact studies are not required. Stormwater requirements will be reviewed per the Development Manual with building permits.

3. Soil Testing & Environmental Assessment:
The site operated as a sawmill from the mid-1950s to 1976. The presence of wood fill on the property is documented and acknowledged. WGM reportedly drilled deeply to characterize the extent of wood fill — yet surface soil sampling was reportedly limited to 6 inches. ASTM Standard E1903 (Phase II ESA) requires sampling protocols commensurate with known site conditions; for a site with documented fill material going into mixed residential and public park use, surface-only sampling does not meet that standard. EPA Brownfields guidance similarly calls for protocols reflecting known hazards. The public has been told it may be on the hook for any remediation surprises discovered after the land is opened, including potential bonding exposure.

Questions for Staff:
- **What ASTM standard governed the soil sampling protocol used by WGM?**
- **Was a Phase I ESA conducted prior to purchase? If so, by whom, when, and what did it find?**
- **Was a Phase II ESA conducted? If not, why not, given the known presence of wood fill?**
- **WGM drilled deeply enough to characterize the extent of wood fill- why was surface sampling then limited to 6 inches rather than being designed to reflect those known site conditions?**
- **Wood fill is a recognized geotechnical and environmental hazard associated with decomposition, void formation, methane production, and potential leaching- was any of this risk assessed and disclosed to the public prior to purchase?**
- **At the time of sale, the remediation estimate for the wood fill area was $900,000. How has that estimate changed, and who produced the current estimate?**
- **That same area is now slated for townhomes- was the wood fill remediation cost factored into the purchase price, or did the public pay full price for land with known remediation liability?**

- **Under what specific conditions would the public be bonded for remediation costs discovered after the land is opened up, and what is the estimated range of exposure?**

  Response: The City engaged NewFields to conduct both Phase I and Phase II Environmental Site Assessments as part of due diligence prior to purchasing the property. The results of those investigations were presented to City Council during the property purchase deliberations.

  A Phase I is designed to assemble and evaluate known information about a site, utilizing historic records, interviews, and other information to determine whether a site has what are called “RECs,” Recognized Environmental Conditions. RECs function like orange flags – they identify potential concerns that a prospective buyer may wish to investigate further. NewFields’ Phase I identified only one REC for the Midtown Commons site – woodfill on the eastern end of the property directly south of Bob Wards. Phase IIs are tailored investigations into specific RECs. The City commissioned a Phase II ESA to investigate the identified subsurface wood waste. NewFields did not identify environmental concerns associated with the subsurface wood waste, although they did note that it could present a geotechnical challenge for future construction. They also noted that methane can be a source of concern with subsurface wood waste, but their investigation did not detect methane in onsite soil vapor probes. They acknowledged that the development could remove the wood waste because it is geotechnically inappropriate for construction, in which case methane and other concerns with subsurface wood waste would no longer be an issue.

  The developer is aware of the subsurface wood waste. Information from the Phase I and Phase II reports in addition to geotechnical investigations the developer has undertaken have been used to estimate quantity and magnitude costs for earthwork, including removing the wood waste. The cost estimates include a 30% contingency as a hedge against unknowns. Public (TIF) funding will only reimburse work done within the public right-of-way. The developer will be responsible for private development costs, including excavation and other site preparation under buildings.

4. Waterway Relocation:

The current plan calls for a full re-route of the on-site waterway (irrigation ditch). Earlier proposals included Plan A and Plan B, which preserved key habitat areas including the Grove/Ernest Street easement and the lowlands. The Development Agreement (Section 4.8) requires coordination with the irrigation ditch company before construction but provides no timeline, no assurance of approval, and no contingency if the ditch

company withholds consent; creating a potential veto over key project phases with no defined remedy.

Questions for Staff:

- **What is the specific cost of relocating the waterway under the current plan versus Plans A and B?**
  Response: It is unclear what is being referenced as Plans A and B. The staff's assumption is that Plan A may have been part of the response to the MEP process that led to the selection of Miramonte for the Midtown Commons project and would have been highly conceptual.
- **What is the net increase in developable acreage achieved by the full waterway re-route, and for whose benefit?**
- **MEP advertised 10 acres available to build and MRA has echoed that figure — does the waterway relocation change that number, and if so by how much?**
- **Why were Plan A and Plan B, which preserved key habitat areas including the Grove/Ernest Street easement and the lowlands, abandoned?**
- **Who made the decision to move away from Plans A and B, and when?**

5. Greenway & Bike Trail Connector:
The current greenway design has been described by constituents as a "walkway through a parking lot" and is a significant regression from the March 2025 proposal, which included a water feature, adequate width for a park-like feel, and visual openings. PROST data identifies Franklin to Fort as park-deficient. The public is investing $2.5 million in this park; the design must serve the general public, not function primarily as a private amenity for the adjacent development or be built in a manner that increases ROI for the developer.

Questions for Staff:

- **Why did the greenway design regress so significantly from the March 2025 proposal?**

Response: The greenway design evolved through the broader development design process led by the private development team. Parks and Recreation staff provided input throughout the process and generally supported earlier concepts that included a wider and more naturalized greenway character and extension of the park. The current proposal reflects revisions made balancing site constraints, circulation, parking, and other development program elements.

PROST data clearly identifies Franklin to Fort as park-deficient- how does the current design serve that neighborhood?
Response: The Franklin to the Fort area is identified in PROST as park deficient. The Park at Midtown Commons is designed to help address that gap as a "complete park" within a compact urban infill setting. PROST recognizes that in higher density

neighborhoods, smaller neighborhood and pocket parks can function as neighborhood parks when they provide a broad mix of amenities and experiences. The park is designed to provide:

- Active recreation
- Play opportunities
- Social and cultural gathering space
- Nature and ecological experience

This approach aligns with PROST goals for walkable neighborhoods, equitable access to parks, urban park innovation, and connected green spaces.

- **The public is paying $2.5 million for this park- what metrics or standards are being used to ensure it serves the general public rather than primarily benefiting the adjacent development?**

Response: The park will be a publicly owned and maintained City park designed to serve the broader community, not just adjacent residents. It is fronted by public streets on both sides, connected to the public sidewalk network, and linked to the larger trail system through the proposed Johnson Street shared use path connecting to the Bitterroot Trail and Mary Avenue trail system.

The project meets broader PROST goals and standards related to equitable park access, walkability, connectivity, recreation opportunities, and access to nature in underserved neighborhoods. This is also consistent with how many neighborhood parks are delivered through private development partnerships and subdivision processes, while ultimately becoming part of the public park system.

- **Why is the park at Midtown Commons only 1.6 acres when other recently constructed public parks are larger, and has a PROST level-of-service analysis been conducted for this project?**
  Response: The overall Midtown Commons site plan, including the park size and layout, was developed by the private development team through the master planning process. The proposed 1.6 acre park reflects the realities of an urban infill redevelopment site where land must also accommodate housing, parking, streets, utilities, and other public infrastructure.
- **Will the park physically connect to the existing bike trail network? If not, why not?**

Response: Yes. A proposed 10 foot wide shared use path along Johnson Street will connect directly into the park and provide bicycle and pedestrian access. In addition, two proposed pedestrian connections between the Johnson Street path and the Bitterroot Trail will improve connectivity between the park and the existing trail network.

6. Financial Structure, TIF & MRA Math:

The $8.4 million in TIF for "below surface infrastructure" is described without itemization. The $5M developer participation payment is contingent on future condo sales and is not a fixed debt- if phases are scaled back, delayed, or assigned to an affiliate (which Section 8.5 permits without City consent), repayment could fall short. URD III sunsets in 2040, and Phase 2 infrastructure design remains at schematic level, creating open-ended fiscal exposure. Section 8.4 limits City/MRA financial recourse to then-available tax increment only.

Questions for Staff:

- **The $8.4 million is described only as "below surface infrastructure"; why is this not itemized, and when will the public receive a full breakdown?**
  Response: The TIF authorization ($10.9M total) includes $2.5M for the public park and $8.4M for public infrastructure improvements within the public right-of-way, including streets, sidewalks, utilities, boulevard landscaping, and subsurface utilities. The developer will be responsible for private development costs, including excavation and other site preparation.
- **How much of that $8.4 million is specifically attributable to waterway relocation, wood fill remediation, roads, and utilities respectively?**
  Response: See above.
- **Has this type of deferred developer reimbursement been used before in Missoula MRA agreements? If so, what is the actual repayment track record? If not, on what basis is the $5M treated as reliable enough to factor into the leverage ratio?**
  Response: The City has not obtained reimbursement for MRA funded projects in the past. The City views this as a benefit of this particular project as the developer believes they can construct the planned project and return some of the infrastructure funding, which can then be reused for other MRA projects. Typically, MRA pays 100% of infrastructure costs for similar projects.
- MRA's stated standard is 1:10 or above- the upfront public commitment is $10.9 million, not $5.9 million. How does this project genuinely meet that standard before repayment is confirmed?
- Where exactly would developer reimbursement funds be directed- into the trust fund, back into the URD, or elsewhere?
  Response: Unless City Council directs differently, the reimbursement funds would go back to MRA to be used in the URD.
- **This URD sunsets in 2040- what is the impact of this commitment level on remaining capacity for other projects, including the Johnson property?**
  Response: Partly as a result of previous TIF investments in the district, URD III has more than adequate capacity to fund both Midtown Commons and Franklin Crossing, likely without the need to issue TIF revenue bonds. This is possible because the annual revenue is currently just under $8M and both of these projects will span multiple fiscal years, allowing for the cost to be incurred in multiple funding cycles. In addition to annual revenues that are healthy enough

to address costly projects needed for realization of the Midtown Master Plan, the District has significant bonding capacity if needed.

- Does this TIF commitment, combined with open-ended remediation liability, materially increase the probability of bonding on a district that should be winding down?

  Response: Since the life of URD III is capped and the District will sunset in 2040, the only impact on bonding will be the term of any bonds that are issued. If and when federal funding becomes available for our Transform Brooks Transit Oriented Development project it is possible that it will be necessary to issue bonds in order to provide adequate matching funds to make the project competitive.9

7. Easement Vacation:

Section 3.3 of the Development Agreement states that within 60 days of closing, the City will initiate vacation proceedings for right-of-way, as shown on Exhibit D; Easement vacations are being bundled into the property buy/sell transaction rather than processed through the standard standalone public hearing process. The Grove/Ernest Street easement, which was protected
under the earlier Plans A and B, appears to be vacated under the current plan.

Questions for Staff:

- Which easements specifically are being vacated as part of this transaction?
  - The development agreement anticipates the need to vacate public right of way through a subsequent public process; that process will be kicked off if Council approves these agreements.
- Why were publicly used easements rolled into the buy/sell rather than vacated through the standard public process?
  - No easements are vacated in the buy/sell.
- The Grove/Ernest Street easement was protected under Plans A and B- why is it being vacated under the current plan, and who authorized that?
  - City staff in Parks, Public Works, City Attorney's Office worked with MRA staff and the Mayor's Office to discuss options and agree to the final master plan.
- What public benefit is being received in exchange for each vacated easement?
  - The plan is to replace existing unimproved right of way with new right of way and a public park. Public Works transportation staff believes the new layout is preferable to the existing layout,
- Who authorized departing from standard easement vacation protocol, and under what authority?

Response: No easements are being vacated as part of these agreements. The ROW vacation will go through the standard vacation process, including a public hearing. The plan is to replace the ROW being vacated with new, relocated ROW as shown in the master plan. If Council declines to vacate the right-of-way in the

subsequent proceeding, the parties will need to renegotiate the development agreement and related master plan layout. The development agreement expressly provides that the right of way will need to be vacated through subsequent proceedings.

8. Public Land &Public Value:

The public already owned approximately 4.5 acres of the site as platted right-of-way before the City's $5.9M purchase. The Tollefson (Mary Avenue) property was appraised at $1.8M but is being sold to the developer for $1.3M- $500,000 below appraised value. No explicit policy findings or legal justification for below-appraisal disposition of this TIF-funded asset appears in the submitted documents. Montana law and City policy require documented public benefit findings for below-market dispositions of public property.

Questions for Saff:

- The public already owned 4.5 acres of this land- why is the public now bearing the majority of infrastructure and remediation costs rather than the developer?
    - The developer applied for and MRA approved payment for public infrastructure costs, which is a standard practice to encourage redevelopment in URDs.
- The Tollefson property was appraised at $1.8M and is being sold for $1.3M- what are the specific legal findings supporting a $500,000 below-appraisal disposition of a TIF-funded public asset?
  Response: In this transaction, the City is acquiring and conveying the Mary Ave Property (Tollefson) at the same price as the acquisition. The seller is selling the parcel to the City at the below appraised price which will help obtain the price points the developer is trying to achieve. This is a simultaneous closing, the City will acquire and transfer the property at the same time.
- Was full market value received for publicly owned land conveyed, given the known remediation costs at the time of sale?
- What did the public receive in exchange for the easements that were vacated?
  Response: As stated above, no easements are vacated in these documents. The development agreement anticipates a subsequent Council process to vacate existing easements. The plan is to provide alternative more preferable easements to replace the existing easements.
- The only clear winner in the waterway relocation appears to be an increase in developable acreage for the developer- what does the public gain from that specific change?

9. Additional Policy Gaps Identified in Legal Documents:

The following concerns were identified through review of the submitted legal documents and cross-referencing City adopted plans and policies:

Traffic & Transportation:

No traffic impact study (TIS), multimodal level-of-service analysis, or Transportation Demand Management plan is included in or referenced by the submitted documents, despite the Long Range Transportation Plan and Midtown Master Plan identifying traffic connectivity as a core Midtown deficiency.
Response: Under City regulations, a TIS is required with building permits for developments that generate over 200 trips per day. First phase (townhomes) did not require a TIS. We anticipate the second phase will. The new street will improve connectivity for eventual Johnson St Extension from South to Brooks.

Local Hiring & Small Business:
The Development Agreement requires prevailing wages only on TIF-funded public infrastructure (Section 4.6). There are no local hire targets, apprenticeship requirements, DBE/MBE participation goals, or small business preference provisions for the approximately $94M in private construction- despite this being a major public-land disposition.

Irrigation Ditch Contingency:
Section 4.8 requires coordination with the ditch company but provides no timeline, no assurance of approval, and no contingency if the ditch company withholds consent. This is a known long-standing constraint on the property. A ditch company veto could delay or block key phases with no defined remedy for the City.

Response: The ditch company will need to approve any relocation of the ditch. The development can move forward with the ditch in its current or historic alignment. In the event realignment of the ditch is not approved, the Parks Board may need to redesign the park master plan.

Developer Assignment Without Consent:
Section 8.5 allows Miramonte to assign the agreement to affiliated entities without City or MRA consent. Combined with the limitation on City recourse in Section 8.4, this means the project could be substantially transferred to a related entity, and the City would have no approval right and limited financial remedy.

Response: This is a standard term to allow a develop to convey to related affiliated entities.

Thank you very much for your time with this! It really helps inform decision making on the council floor.

Kind regards,
Kristen

Kristen Jordan | Ward 6 City Council Representative
Missoula City Council
406-552-6012 | jordank@ci.missoula.mt.us